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CONFIDENTIAL



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8 March 1976

NOTE FOR THE DIRECTOR

FROM:

E. H. Knoche

Acting D/DCI/IC

SUBJECT:

CFI and the "Second Tick"

You will recall the interest that attaches to the CFI requirement as outlined in the Executive Order to establish policy priorities for the collection and production of intelligence.

I have checked with Mason Cargill and Tim Hardy, the drafters of the Executive Order, to get their views on interpretation. Basically, they say, CFI responsibilities were cast in terms relatively permissive in allowing the CFI to arrange its own ways of managing the national program and controlling its resources. The clear-cut intention was to keep CFI out of production, considered to be a DCI responsibility. CFI was never envisaged as getting involved in the nuances and structure of a national estimate, for example. Accordingly, in their view the second tick permits the CFI to issue periodic guidance to the Community as to what the intelligence priority needs are, particularly as those needs reflect the concerns of the DoD and National Security Advisor representatives on the CFI -- two primary intelligence customers.

Prior to my discussions with the two men, I had taken a hand at drafting my own view as to how the second tick might be interpreted by CFI. I tried my view out on Cargill and Hardy and they agreed that it was representative of the original intention.

That view is as follows:

 The charge can be construed as CFI guidance to the Intelligence Community issued annually or more frequently as the CFI may determine. Such guidance will state CFI views of major international problems, current and future, and will indicate the priority needs for intelligence information related to those problems.

- When combined with other charges given to the CFI in the Executive Order, the second tick can also be construed as a CFI explanation of general strategy to be employed by the Intelligence Community in collecting and producing national intelligence of a priority nature, including of course, guidance on the level of efforts and resources to be used for this purpose. And,
- When matched with other CFI responsibilities as outlined in the Executive Order, the second tick can be construed as CFI advice to Community component heads and program managers concerning the mix of resources devoted to NFIP activities in order to insure a proper balance among collection, processing, analysis, and production activities.

I have asked members of the IC Staff to put all this under a microscope and let me know whether they find any particular problem with these formulations, and I have sent a copy of this to Dick Lehman. If all of us can agree on something like this, and if you are comfortable with it, these interpretations might be used for further discussions at an early CFI meeting.

cc: Mr. Lehman

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